

**USACE FINANCE CENTER
BIWEEKLY REPORT
PERIOD ENDING 28 SEPTEMBER 2007**

I. UFC ISSUES:

A. The CFO/Civil Reports Division continues to provide information to the auditors from PricewaterhouseCoopers (PwC) related to the USACE financial statements and footnotes through 3rd Quarter, FY 2007. We provided completed GAO checklists. We participated in a teleconference regarding the Fund Balance with Treasury for the Revolving Fund.

B. We provided information/supporting documentation to the Appalachian Regional Commission, Department of Agriculture, Department of the Interior, Department of Transportation, and Department of Energy for parent/child transfer appropriations. Effective FY 2007, the parent agency reports all activity in its financial statements, in accordance with OMB Circular A-136. Some of this information included cash balances, assets, service life of assets, list of all FY 2007 transactions, list of expenses by object class, status of funds by program code, SF133; FACTS II, trading partners, and chart of accounts.

C. We completed a revised reconciliation for PwC of spending authority from offsetting collections reported on the Statement of Budgetary Resources (SBR) to the proprietary revenue and change in accounts receivable.

D. We participated in a week long testing of recent programming changes to the Defense Departmental Reporting System.

E. The UFC Travel Division is currently processing PCS vouchers received on 19 Sep 07.

F. We are near completion of the test for the consolidation of the TDY post audit function to the UFC. We have made selections to staff the accounting technician positions which will perform the audits, and we have hired an additional staff member to help with the collection of the travel supporting documentation. There is still work to be done on setting up facilities to accommodate the staff, but we expect completion by the time we begin the full USACE implementation. We have also completed additional functionality in CEEMIS to produce follow-up notifications when travel documents are not provided.

G. On 16 September, an additional 40 employees were capitalized to the USACE Logistics Activity (ULA). The UFC completed all personnel actions to effect this transfer. We also were able to get assistance from CEEIS to script the necessary creation of new user-ids and reestablish all Upass accesses for the transferred employees. We correlated timekeepers and supervisors with the new employees and established access control and CEFMS roles for them on the T0 database.

H. The Finance Center's IM/IT Baseline Assessment (BLA) is nearing completion. The entire IM staff has contributed to the completion of these 66 templates. The BLA will serve as the source of the specific IM/IT requirements of the Finance Center. ACE-IT will use this information to determine the proper staffing requirements and contract support needed by the Finance Center. This has been an extensive task to complete in a very short timeframe but also an extremely important task for the transition to the new ACE-IT support.

I. The UFC has completed an audit of commercial payments for the third quarter of FY06. This audit identified three problem areas that merit mention. One common error noted was the frequent misuse of the Prompt Payment Act (PPA) indicator in CEFMS. Obligations were often coded PPA exempt when they should not have been; and conversely, obligations that should have been coded PPA exempt were not. In addition, there were several cases where USACE activities did not date stamp vendor invoices when received. This can adversely affect payment due to date determinations. Also, we noted in several instances that accounting line/appropriation data documented in hard copy contracts did not agree with the appropriation data reflected in CEFMS for the corresponding obligation. We have also completed a draft report covering our audit of commercial payments for the fourth quarter of FY 06. The final report will be issued next week.

J. The UFC recently compiled a summary report for the fourth quarter FY06 TDY audit results. Of the 1,929 vouchers audited, 927 (48.1%) had a monetary error or errors. This percentage compares to a 24.9% third quarter FY06 error rate. As has been the case in the past, due diligence by travel voucher approving officials would have identified many of the errors prior to payment. Los Angeles District, Sacramento District, and HQ USACE have not submitted audit results for several months.

K. The UFC continues to perform unannounced quarterly Disbursing Division/cash reviews to verify compliance with required security controls and procedures, confirm accountability of blank check stock, and examine change fund activity/documentation. We performed the most recent review on 20 September. Also, at the request of the Office of the Secretary of Defense, the Finance Center continues to perform monthly reviews of selected Iraqi contract payments. To date, no significant payment discrepancies have been noted.

L. All UFC personnel have completed the mandatory Level I Anti-terrorism Awareness, and Subversion and Espionage Directed Against the Army (SAEDA) training. Additionally, HQDA mandated that all supervisors and deployed personnel complete the Mild Brain Trauma Injury and Post Traumatic Stress Disorder (MBTI/PTSD) training by 1 Oct 07. All training was completed with a 100% completion rate reported. On 17 Sep 07, the Naval Support Activity (NSA) Mid-South participated in a Navy-wide anti-terrorism/force protection exercise named SOLID CURTAIN. The exercise concluded on 20 Sep 07. NSA Mid-South security conducted drills for various security-breach scenarios and increased the Force Protection Condition Level to Charlie during this time. Tenant activities were generally not affected for normal operations; however, due to increased vehicle inspection requirements at the gates, some delays did occur.

M. The Accounting Quality Division has been working throughout FY07 with HQUSACE to reduce the outstanding balance of receivables for disaster assistance to FEMA. At the beginning of FY07, there were about \$1.1B receivables due from FEMA. The goal was to reduce this balance to below \$100M by fiscal year-end. Final efforts over the past two weeks have resulted in a reduction down to only \$43M receivables still outstanding from FEMA for disaster bills.

II. ACCOUNTING OPERATIONS:

A. NUMBER AND LOCATION OF ONBOARD PERSONNEL

LOCATION	ONBOARD
MILLINGTON:	205
HUNTSVILLE:	23
USACE HQ:	1
TOTAL:	229

B. DISBURSING WORKLOAD DATA

PAYMENT	CURRENT MONTH	YEAR TO DATE
	01-25 Sep	01 Oct - 25 Sep 07
CHECKS:		
CHECKS ISSUED	8063	93021
PERCENT OF TOTAL	7%	7%
DOLLAR AMOUNT	\$155,813,389	\$1,250,704,636
EFT:		
TRANSFERS MADE	66581	670895
PERCENT OF TOTAL	95%	93%
DOLLAR AMOUNT	\$2,496,861,456	\$24,482,294,847

*percentages adjusted for utility checks which do not have to participate in EFT

III. CEFMS:

A. We completed the year-end close testing of all 59 databases. We modified several Showstopper reports/edits to ensure dates were in sync. We also have added new elements, corrected overflow amount problems, and modified report titles and printing options. We reviewed and made changes where necessary to the general ledger correlation year-end report (glcorrye) to ensure all new general ledger accounts (glacs) were present. We also have been fielding calls and emails concerning year-end close issues from various USACE activities.

B. We have provided PwC auditors with transaction register files to aid in their audit agreement with the Department of Interior. USACE no longer includes civil transfer appropriations on the Corps CFO financial statements, but is required to provide transaction register files requested by the auditors. The transaction register files consist of FY05 and FY06 records for appropriation 96 14 X 1039 (Department of Interior - Construction National Park Service) found on the Jacksonville database.

C. We released the PM Project Closeout Report to assist project managers/program analysts with financial closeout of construction projects. Section 1 of the report provides work item hierarchy and detailed document data, including commitment, obligation, cost, and disburse information at the document level. Section 2 provides cost data in the same work item hierarchy format. Cost data is provided by cost type (cip, wip, trf and other) and calculating remaining cost to be

transferred. Section 3 provides the P2 budget information, budgeted, certified and available P2 budget by task and resource code. For the initial release, the user parameter is P2 Project Number only. Future enhancements will be to allow generation of report by CEFMS 1319 Project Number will be added after 1 Oct. The report is accessible from the Work Management Reports Menu, the Manage Assets Reports Menu - CIP Status Reports submenu, or the Accounting Functions Menu - Other Reports Submenu.

D. Linda Brooks, Deputy Director Financial Systems, attended a meeting 4-7 Sep 07 to discuss the reporting requirements of the new ACE-IT organization. The requirements pertain to the A-76 competition and OMB and DA requirements to track actual costs as compared to projected of savings. Members of HQUSACE, CECI, ACE-IT, and several USACE activities were in attendance.

E. Linda Brooks attended a meeting at HQUSACE on 20 Sep 07 with DoDIG, PwC, CECI and IR to discuss the draft IT report issued by DoDIG as a part of the FY 2006 CFO audit. There were many issues with misstatements of fact and recommendations in the report. DoDIG agreed to change wording in the report and direct the recommendations to USACE in general. A new unofficial draft will be issued for USACE review before the report is finalized.

F. We have received several problem reports pertaining to the mode of transportation (MOT) default 'TP' that is Government Transportation Required (GTR). Numerous travel orders were being amended to reflect the correct MOT and there was concern of duplicate ticket payments. To correct this situation, we modified Travel Order Create to remove the default and we altered the order of the mode of transportation list. Users are now allowed to use both GTR and commercial cost codes, which prevents them from changing the funding on an order if a voucher already exists. We also changed the mode of transportation descriptions to specify 'paid by traveler' or 'paid by CBA' where appropriate to ensure users are selecting the correct MOT.

G. We modified the other miscellaneous disbursements form processing for return of deposit funds transactions. The allotment code found for the appropriation data and collection voucher number has been added to the other miscellaneous disbursements transaction registers. This will ensure proper matching of the deposit funds disbursements with the collections of those funds.

H. We completed the Assembled Chemical Weapons Alternatives Integrated Planning & Management System (AIPMS)/CEFMS data feed special project and a report is now generating in nightly automated processing. The data will be sent to the AIPMS server every Friday night.

I. We are in the initial stages of developing a CEFMS User's Manual for processing appropriation refunds for vendors, alternate debtors, and interest.

J. We generated a data pull for the Special Inspector General for Iraq Reconstruction (SIGIR) auditors for GRD data. We had to select all financial data (direct and reimbursable) for the end of fiscal year 2005, 2006 and through end of month June 2007 for the Iraq Relief and Reconstruction Fund (IRRF) (21 2004 1096 0103), Iraq Security and Stabilization Fund (ISFF) (21 2005 2092, 21 2006 2092 and 21 2007 2092) and CERP (21 2020 amsc 136198). In addition, the data had to be categorized by Construction, Planning and Design, S&A 4% and S&A 6.5%.

IV. PROBLEM REPORTS/IMBALANCES:

A. Open problem report inventory:

	<u>This Report</u>	<u>Last Report</u>
Total Problems	649	670
Priority #1 Problems	106	108

We received 242 new problem reports and completed 263 problem reports.

B. Database Imbalances on our 59 Production Activities:

<u># of Imbalances</u>	<u>This Report</u>	<u>Last Report</u>
None	56	57
One	1	2
Two	1	0
Six	1	0